



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

September 20, 2006

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

To: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: David E. Janssen
Chief Administrative Officer

Michael J. Henry
Director of Personnel

BOARD MOTION - OVERTIME

On January 10, 2006, your Board (see motion Attachment I) directed the Chief Administrative Officer (CAO) and the Director of Personnel to:

1. Develop an early warning system to alert departments when employees are approaching excessive use of overtime;
2. Revise the overtime earnings report to be easily readable; and
3. Report back to the Board on a plan to reduce reliance on overtime for ongoing operations.

We surveyed four departments with the greatest number of employees earning overtime in excess of 50 percent of their regular pay: Fire, Health Services, Probation, and Sheriff (these departments comprised almost 90 percent of the total). These four departments were provided a list of all of their employees with overtime that exceeded 50 percent of their earnings, and were asked to provide the following general information:

- Why is significant overtime use by individual employees necessary? What other options have been considered?
- What controls are in place to assure that all overtime use is necessary and appropriate?

- What plan, if any, is there to reduce overtime worked by individual employees?

Based on the responses provided by the departments, the findings below will address each of the issues in the motion.

1. Early Warning System

From a review of guidelines and interviews with department staff, the CAO and Department of Human Resources previously concluded that sufficient controls are already in place for department managers to monitor and control excessive employee overtime (as per CAO and Department of Human Resources review of time card protocol for County departments, September 13, 2005, Attachment II).

We looked at the overtime procedures and limits currently in place for the four departments:

- Fire Department places a 68-shift overtime cap and a requirement that uniform personnel cannot work more than five shifts in a row. For civilian personnel, each supervisor verifies the overtime in excess of 50 percent of their salary and confirms that the overtime is justified.
- Probation conducts a quarterly internal review of all permanent employees with accumulated overtime in excess of 25 percent of their computed six-month salary.
- Health Services reports that they have a policy in place requiring employees to consult with supervisors and obtain management approval prior to working overtime. Required justification for approval of the overtime includes a review of the emergent nature or specific reason for overtime, the negative impact as a result of the inability to perform tasks or provide services for which the overtime is being requested, the tasks requiring overtime, and the reason work could not be completed without the need for overtime. The policy requires that overtime requests be approved by three levels of management.
- In general, the overtime for Sheriff is voluntary for staff and is approved in advance by management to ensure that use is necessary.

2. Revise the Overtime Earnings Report to be Easily Readable

When the Overtime Earnings Report was first distributed in February 2005, our goal was to provide another tool for departments to quickly identify potential excessive use of overtime.

Some departments commented that the overtime report was not useful nor easily readable because a PDF file cannot be sorted differently. There were several requests to receive the Excel file (in addition to the PDF file), which could then be resorted and distributed to various workgroups.

On July 11, 2006, the Auditor-Controller was asked to reprogram the report for distribution (via email) in Excel. The first Excel report was distributed to departments on August 15, 2006 (Attachment III, is an example of the Excel report).

3. Plan to Reduce Reliance on Excessive Overtime for Ongoing Operations

Why is significant overtime use by individual employees necessary?

In order to develop a plan to reduce reliance on overtime for ongoing operations, we wanted to understand why significant overtime use by individual employees is necessary.

- The majority of significant overtime worked at the Fire Department (over 70 percent), is due to Constant Staffing. Constant Staffing is necessary for emergency service delivery (i.e., 24 hours per day, 7 days a week). There is a minimum level of emergency staffing required, and certain positions must always be filled. When an assigned shift cannot be worked (due to injury, illness, vacation, etc.), the shift must still be covered without exception. These shifts are covered using off-duty firefighters who will earn overtime. Much of the civilian overtime is related to vacancies in hard-to-recruit positions or positions where individuals are on leave for industrial injuries.
- Health Services reports that the departmental overtime is needed to provide various services that are required for hospitals to operate, including 24/7 operations, and to assure safe patient care. The majority of overtime is attributable to nursing services and is due to both the need for 24/7 coverage and to the January 2006 implementation of State regulations mandating ratios of nurses to patients. Recruitment and retention of staff to provide required nursing services has further been exacerbated by the nationwide problem of nursing shortages. In addition to the recruitment and retention issue for nurses, the

department also has a need for overtime for various other staff due to the shortages of pharmacists, radiology technicians and respiratory therapists. Resident physicians will work overtime as well in order to keep critical areas such as the emergency rooms staffed around the clock.

- Most of the overtime for Probation is related to juvenile detention facilities, primarily juvenile halls, and maintaining compliance with Title 15, State Board of Corrections Staffing Ratios. (Current staffing ratios are one adult to ten minors and one-to-one for suicidal minors.)
- For Sheriff, most of the overtime worked is used to maintain the minimum standard service levels and workload requirements.

What other options have been considered?

- One option to reduce reliance on overtime for ongoing operations considered by the Fire Department is to hire a 'pool' of additional fire fighters to fill behind assigned shifts that cannot be worked, or for vacancies. However, a pool has been determined to be more expensive than paying time and a half for overtime staff because Fire has reported an employee benefit rate of 58.6 percent. In an effort to reduce vacancies, the Department has established a performance measurement of three percent or less for fire fighter vacancies and is conducting recruit classes at least two times per year. The Fire Department is aggressively working to recruit and fill civilian vacancies.
- Health reports that they plan to continue their recruitment and retention efforts in order to reduce the need for overtime and the use of registries. The department is pursuing various recruitment strategies to fill the various vacancies that contribute to the need for overtime, including working with the Chief Administrative Office on compensation studies.
- Probation reports that their staffing shortage in the juvenile halls will be resolved with the recent hiring and training plans for over 400 new staff that were phased in during the fiscal year 2006-07 Budget, and that their overtime will be significantly reduced.
- Sheriff has placed increased emphasis on recruitment, retention and training. They report their objective is to hire approximately 1,000 Deputy Sheriffs in 2006 and another 1,000 in 2007. Also, five training academy classes are being concurrently held, which will result in over 400 graduates who can be

immediately deployed. Sheriff anticipates the impact of these activities should relieve a significant portion of their overtime.

CONCLUSION

After reviewing the responses from the four departments (accounting for over 90 percent of the total overtime earnings appearing on the monthly Overtime Earnings Report), we determined that although each department has different reasons for using significant overtime, each has provided sufficient justification:

- It is more cost effective for the Fire Department to use overtime rather than hire additional firefighters;
- Probation expects their use of overtime to be significantly reduced due to the hiring and training of over 400 additional staff. Probation overtime trends showed a decline of approximately 25 percent at the end of fiscal year 2005-06.
- Health Services staffs according to State regulations and licensing requirements, and the need to meet Joint Commission on Healthcare Organizations (JCAHO) standards to maintain accreditation and funding; and
- Sheriff reports that their objectives to recruit new Deputy Sheriffs in 2006 (and 2007), and the 400 new graduates that can be immediately deployed should relieve significant overtime by year-end.

Our review has confirmed that overtime occurs because of mandated requirements and departments have the ability to look into the specifics of each occurrence. In addition, we confirmed that these departments stayed within their total Salary and Employee Benefits appropriations, and shifted funding from other sources to cover increases in overtime if necessary, without resulting in additional funding added to their budgets.

If you have any questions or need additional information, your staff may contact Sid Kikkawa of the CAO at (213) 974-1133.

DEJ:DL:SK
EC:AB:ljp

Attachments

BOARD MOTION.BM

AGN. NO. _____

MOTION BY MAYOR MICHAEL D. ANTONOVICH

JANUARY 10, 2006

OVERTIME

On July 19, 2005, the Board of Supervisors passed a motion directing the Chief Administrative Officer and the Director of Personnel to review time card protocol and overtime policies and report back to the Board on recommendations to ensure that there is no overtime/time card abuse taking place.

In a September 13, 2005 memo to the Board, the Chief Administrative Officer and Director of Personnel recommended steps to control overtime. Part of these steps include an Overtime Earnings Report, which identifies all employees paid overtime earnings in excess of 50% of their regular earnings. This report, however, is cumbersome and does not provide internal controls or an early warning for employees who may be approaching an excessive use of overtime.

I, THEREFORE, MOVE that the Board of Supervisors direct the Chief Administrative Officer and Director of Personnel to:

1. Develop an early warning system to alert departments when employees are approaching excessive use of overtime;
2. Revise the overtime earnings report to be easily readable; and
3. Report back to the Board on a plan to reduce reliance on overtime for ongoing operations.

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MOTION

Molina

Burke

Yaroslavsky

Knabe

Antonovich



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DAVID E. JANSSEN
 Chief Administrative Officer

September 13, 2005

To: Supervisor Gloria Molina, Chair
 Supervisor Yvonne B. Burke
 Supervisor Zev Yaroslavsky
 Supervisor Don Knabe
 Supervisor Michael D. Antonovich

From: David E. Janssen
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Michael J. Henry
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OVERTIME PROTOCOL FOR COUNTY DEPARTMENTS

During the Board meeting on July 19, 2005, your Board instructed the Chief Administrative Office (CAO) and the Department of Human Resources (DHR) to review time card protocol in place for all County departments, and how overtime is recorded and reconciled; and report back with recommendations that may be required to ensure that there is no overtime/time card abuse taking place.

Controls over Overtime

The County Code, the County Fiscal Manual (CFM) and CAO Policy Bulletins provide County managers with instructions and guidelines on how to control and monitor employee overtime. In addition, some County departments have instituted additional policies and guidelines to control overtime based upon their operational environment. Our review of the Countywide guidelines and discussion with representatives of the Auditor-Controller's (A-C) Audit Division found that if the guidelines are followed, it will allow departments to monitor and control employee overtime. According to A-C investigators and auditors, overtime abuse is generally the result of insufficient management oversight.

Each Supervisor
September 13, 2005
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Steps to Control Overtime

Along with long-standing policies and procedures to guide County managers, in February 2005, the A-C and CAO released a new management tool to help monitor overtime costs and identify overtime abuses. The Overtime Earnings Report (OER), which is distributed monthly to each department's Administrative Deputy, identifies all employees within a department with paid overtime earnings exceeding 50 percent of their regular earnings. The OER displays employees' regular earnings, overtime earnings and percentage of overtime earnings to regular earnings for the calendar year, quarter-to-date and year-to-date periods. Department managers are encouraged to utilize this new tool to identify employees with large amounts of overtime earnings, and to implement alternatives to excessive overtime.

Also, in May 2005, the CAO modified the Quarterly Request for Overtime Authorization form that each department must submit to the CAO to better identify the reason for requested overtime. Departments are now asked to identify overtime related to one or more of the following reasons: (1) Overtime requested due to implementation of new programs, workload and/or caseload increases; (2) Overtime requested due to vacancies; (3) Overtime requested due to recruitment issues or hiring delays; and (4) Overtime requested due to a hiring freeze. Identifying the reason of overtime will aid County managers in addressing the underlying need for overtime and take appropriate action to reduce the overtime, when possible.

In addition, as part of their periodic audits of County departments and in an effort to provide an ongoing review of overtime use, DHR will examine departmental overtime policies, procedures and practices to ensure their consistency with Countywide guidelines.

Since most overtime abuse is generally the result of insufficient management oversight, the CAO and DHR will reinforce with all department heads the tools available and policies and procedures in place to properly control and manage overtime.

If you have any questions or need additional information, please contact us or your staff may contact Debbie Lizzari of the CAO at (213) 974-6872 or Susan Stern of the DHR at (213) 974-2631.

DEJ:MJH
DL:SK:MM:ljp

c: Department Heads

overtime.bm

Los Angeles County Wide Reporting Database

Employees with Overtime Earnings Exceeding 50% of Regular Earnings

Report Date: 07/15/2006

Department: 010 AGRICULTURAL COMMISSIONERWEIG Month: 6 June Quarter: 2 Year: 2006

Department	Dept Description	Month	Month Description	Quarter	Year	Item Number	Item Description	Item Sub	OTD Regular Earnings	OTD Overtime Earnings	OTD % OT to Regular	YTD Regular Earnings	YTD Overtime Earnings	YTD % OT to Regular
010	AGRICULTURAL COMMISSIONERWEIG	6 June		2	2006	3091	1 INSPECTOR OF WEIGHTS & MEASURES	A	10,434.00	6,476.55	62.1%	20,785.27	10,314.48	49.6%
010	AGRICULTURAL COMMISSIONERWEIG	6 June		2	2006	0009	AGRICULTURALWEIGHTS & MEASURES INSPECTOR II	A	13,595.46	8,516.84	62.6%	27,080.28	12,267.37	45.3%
010	AGRICULTURAL COMMISSIONERWEIG	6 June		2	2006	0009	AGRICULTURALWEIGHTS & MEASURES INSPECTOR II	A	12,380.19	6,368.11	51.4%	24,660.20	10,628.57	43.1%
010	AGRICULTURAL COMMISSIONERWEIG	6 June		2	2006	0009	AGRICULTURALWEIGHTS & MEASURES INSPECTOR II	A	12,380.19	7,198.19	58.1%	24,660.20	11,738.06	47.6%

Total Employees for Department 010 : 4

030 ARBORETA AND BOTANICAL GARDENS
NO PAYROLL OVERTIME DATA FOR THIS MONTH035 MUSEUM OF ART
MUSEUM OF ART
6 June 2 2006 6973
6 June 2 2006 9353

Total Employees for Department 035 : 2

040 ASSESSOR
NO PAYROLL OVERTIME DATA FOR THIS MONTH050 AUDITOR-CONTROLLER
NO PAYROLL OVERTIME DATA FOR THIS MONTH055 DEPT OF BEACHES
NO PAYROLL OVERTIME DATA FOR THIS MONTH060 CHIEF ADMINISTRATIVE OFFICER
NO PAYROLL OVERTIME DATA FOR THIS MONTH061 BOARD OF SUPERVISORS
NO PAYROLL OVERTIME DATA FOR THIS MONTH063 OFFICE OF AFFIRMATIVE ACTION
NO PAYROLL OVERTIME DATA FOR THIS MONTH068 COMMISSION ON HUMAN RELATIONS
NO PAYROLL OVERTIME DATA FOR THIS MONTH080 CHIEF INFORMATION OFFICE
NO PAYROLL OVERTIME DATA FOR THIS MONTH100 HUMAN RESOURCES
NO PAYROLL OVERTIME DATA FOR THIS MONTH

101	OFFICE OF PUBLIC SAFETY	6 June		2	2006	2832	OFFICER, LOS ANGELES COUNTY POLICE	A	12,844.92	7,794.79	60.7%	25,689.84	15,793.39	61.5%
101	OFFICE OF PUBLIC SAFETY	6 June		2	2006	2832	OFFICER, LOS ANGELES COUNTY POLICE	A	12,844.92	7,560.21	58.9%	25,689.84	9,861.86	38.4%
101	OFFICE OF PUBLIC SAFETY	6 June		2	2006	2832	OFFICER, LOS ANGELES COUNTY POLICE	A	13,628.73	11,824.89	86.8%	27,257.46	13,522.85	49.6%
101	OFFICE OF PUBLIC SAFETY	6 June		2	2006	2832	OFFICER, LOS ANGELES COUNTY POLICE	A	12,844.92	6,807.45	51.4%	25,689.84	14,534.25	56.6%
101	OFFICE OF PUBLIC SAFETY	6 June		2	2006	2834	SERGEANT, LOS ANGELES COUNTY POLICE	A	15,190.92	10,668.63	70.2%	30,381.84	16,447.82	54.1%
101	OFFICE OF PUBLIC SAFETY	6 June		2	2006	2447	DISPATCHER II OFFICER, LOS ANGELES COUNTY POLICE	A	8,508.00	6,026.68	70.8%	16,948.18	11,751.38	69.3%
101	OFFICE OF PUBLIC SAFETY	6 June		2	2006	2832	OFFICER, LOS ANGELES COUNTY POLICE	A	12,946.54	9,215.10	71.2%	26,177.62	20,148.00	77.0%
101	OFFICE OF PUBLIC SAFETY	6 June		2	2006	2832	OFFICER, LOS ANGELES COUNTY POLICE	A	14,211.89	9,733.84	68.5%	27,974.45	18,186.56	65.0%